



NATIONAL ENDOWMENT FOR THE  
**Humanities**

OFFICE OF **CHALLENGE GRANTS**

**CHALLENGE GRANTS**

**Deadline: May 1, 2014**

Catalog of Federal Domestic Assistance (CFDA) Number: 45.130

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**Item referred to in this document needed to complete your application:**

- ☐ Grants.gov application package and instructions

Also see the **application checklist** at the end of this document.

**Questions?**

Contact the staff of NEH's Office of Challenge Grants at 202-606-8309 or at [challenge@neh.gov](mailto:challenge@neh.gov). Hearing-impaired applicants can contact NEH via TDD at 1-866-372-2930.

**Draft proposals**

Program staff recommends that prospective applicants submit a draft proposal four to six weeks before the application deadline. Prospective applicants are strongly encouraged to take advantage of this preliminary review, which can significantly strengthen their proposals. Although applicants are not required to submit draft proposals, staff review of a draft can substantially improve a proposal: staff members can draw on their extensive experience to identify technical problems with a planned challenge grant and to offer advice for improving a narrative.

## Type of award

Successful applicants will be offered a matching grant. Recipients must raise three times the amount of federal funds offered, except for Historically Black Colleges and Universities (HBCUs), Tribal Colleges and Universities, and two-year colleges. These three types of institutions are required to raise only two times the amount of federal funds offered.

## Submission via Grants.gov

**All applications to this program must be submitted via Grants.gov.** To submit an application via [Grants.gov](https://www.grants.gov), you must have an up-to-date Entity record in the [System for Award Management](https://www.grants.gov) (SAM). Entity records must be updated at least annually. We strongly recommend that you update (or, if necessary, create) your SAM Entity record at least four weeks before the application deadline, and that you complete or verify your Grants.gov registration at least two weeks before the application deadline.

## I. Program Description

NEH challenge grants are capacity-building grants, intended to help institutions and organizations secure long-term support for their humanities programs and resources. Through these awards, many organizations and institutions have been able to increase their humanities capacity and secure the permanent support of an endowment. Grants may be used to establish or enhance endowments or spend-down funds that generate expendable earnings to support and enhance ongoing program activities. Challenge grants may also provide capital directly supporting the procurement of long-lasting objects, such as acquisitions for archives and collections, the purchase of equipment, and the construction or renovation of facilities needed for humanities activities. Funds spent directly must be shown to bring long-term benefits to the institution and to the humanities more broadly. Grantee institutions may also expend up to 10 percent of total grant funds (federal funds plus matching funds) to defray costs of fundraising to meet the NEH challenge. Because of the matching requirement, these NEH grants also strengthen the humanities by encouraging nonfederal sources of support.

Applications are welcome from colleges and universities, museums, public libraries, research institutions, historical societies and historic sites, scholarly associations, state humanities councils, and other nonprofit humanities entities. Programs that involve collaboration among multiple institutions are eligible as well, but one institution must serve as the lead agent and formal applicant of record.

### Activities supported

Challenge grant funds (both federal and nonfederal together) must enhance the humanities in the long term. Challenge grant funds should not merely replace funds already being expended on the humanities, but instead should reflect careful strategic planning to strengthen and enrich

the institution's humanities activities and commitment to the advancement of knowledge and understanding of the humanities.

Institutions may use challenge grant funds to meet both ongoing and one-time humanities-related costs, provided that the long-term benefit of the expenditure can be demonstrated. Award recipients might use federal challenge grant funds, as well as funds raised for matching, for purposes such as the following:

Through the income from endowments or spend-down funds (which are defined beneath the "Mode of expenditure" heading below), grantees could use challenge grant funds to support

- salaries and benefits for humanities faculty and staff;
- acquisitions for collections;
- faculty, teacher, and staff development;
- research fellowships;
- lecture or exhibition series;
- visiting scholars or consultants;
- publishing subventions; and
- programs for preserving and conserving collections.

Through direct expenditure, grantees could use challenge grant funds to support

- capital expenditures, such as the purchase, construction, or renovation of facilities (see "Special requirements for construction and renovation projects" in Section IV below);
- acquisitions for collections;
- the purchase of equipment and software; and
- fundraising costs (totaling no more than 10 percent of all challenge grant funds—that is, federal funds plus matching funds).

### **Expenditures not eligible for support**

Challenge grant funds, federal or nonfederal, may not be used for

- one-time or operating expenditures with minimal long-term impact;
- recovery of indirect costs;
- support for projects eligible for short-term grants from other NEH programs;
- scholarships or stipends for students below the graduate level; or
- programs or facilities designed for activities outside the scope of the humanities, such as the creation of art works, the performing arts, science education, non-humanistic aspects of the social sciences, or public policy advocacy. A proposal for a "Center for the Arts," for example, must clearly demonstrate how the facility serves the humanities as well as the arts. Components of projects that deal with the visual or performing arts are eligible for NEH challenge grant funding only if they enhance the interpretation or analysis of

the artistic form in question, using critical, historical, theoretical, or other humanities-oriented perspectives. Similarly, proposals in the social sciences must explain their significance for the humanities.

### **Mode of expenditure**

The financial arrangement by which challenge grant funds are expended should be appropriate to the nature of the humanities-related costs and the long-term impact of the expenditure. Funds may be

- invested in permanent endowments, the income from which supports ongoing and recurring costs such as salaries, honoraria for visiting scholars, fellowships, and maintenance;
- spent directly on one-time capital costs for items that have inherent longevity, such as facilities (new construction or renovation), equipment, and acquisitions; or
- invested in “spend-down” or “depleting” funds that provide income over a predetermined time (no less than ten years, no more than twenty-five years), during which both income and principal are spent in support of humanities activities. Spend-down funds are particularly appropriate for programs that are long-term but not permanent.

### **Special encouragement**

In accordance with Executive Order 13532 on Historically Black Colleges and Universities (HBCUs) and Executive Order 13592 on Tribal Colleges and Universities, NEH especially welcomes challenge grant applications from these institutions. NEH also welcomes applications from two-year colleges. Potential applicants from these institutions are urged to discuss with program staff ways in which challenge grant funding can help them meet their institutions’ particular needs and capacities in the humanities. Note that the program discourages applications from two-year colleges requesting funding for construction or renovation projects.

Certain requirements of regular challenge grants are modified for HBCUs, Tribal Colleges and Universities, and two-year colleges. The required matching ratio is two-to-one (instead of three-to-one), and the schedule for meeting the required match may be spread over six years instead of five.

### ***Bridging Cultures***

NEH welcomes proposals that respond to NEH’s [\*Bridging Cultures\*](#) initiative. Such projects could focus on cultures internationally or within the United States. International programs might seek to enlarge Americans’ understanding of other places and times, as well as other perspectives and intellectual traditions. American programs might explore the great variety of cultural influences on, and myriad subcultures within, American society. These programs might also investigate how Americans have approached and attempted to surmount seemingly unbridgeable cultural divides, or examine the ideals of civility and civic discourse that have informed this quest. In connection with a focus on civic discourse, projects might explore the role of women in America’s civic life as well as the civic role of women in other cultures and regions of the world.

## **Standing Together: The Humanities and the Experience of War**

NEH also welcomes proposals for projects that focus on the history, experience, or meaning of war and military service. Humanities disciplines such as history, literature, philosophy, and the study of religion can deepen our understanding of war and military service both historically and in our own time. The study of the humanities can also lend perspective to veterans' understanding of their military service and can facilitate veterans' return to civilian life. All projects supported by NEH must be informed by scholarship and insights from the humanities.

More information about this special encouragement is available [here](#).

All applications will be given equal consideration in accordance with the program's evaluation criteria, whether or not they respond to the *Bridging Cultures* or the Standing Together initiative.

NEH also welcomes plans to strengthen the technological infrastructure of humanities institutions, thereby enhancing the applicant institution's ability to use new technologies in research, education, preservation, and public programming in the humanities. Such plans can be supported through challenge grants. Challenge grant funds may be used, for example, to purchase equipment and software, renovate computing centers devoted to the humanities, and purchase databases. Through income from a technology endowment an institution can enhance its technological capacity by supporting maintenance and upgrades of equipment, software, and data; licensing fees; salaries of technical staff; faculty and staff training in uses of digital technology; and other ongoing expenses associated with using digital technology in the humanities.

## **II. Award Information**

NEH will offer successful applicants a matching grant. The requested grant amount should be appropriate to the humanities needs and the fundraising capacity of the institution. The federal portions of NEH challenge grants have ranged in recent years from \$75,000 to \$500,000. Requests for more than \$500,000 are unlikely to be funded at that level. Note that the program encourages requests for smaller grants for sharply defined purposes.

### **Fundraising**

NEH challenge grants assist institutions in developing sources of support for humanities programs, and fundraising is an integral part of the long-term planning that challenge grants require. Persons raising the funds as well as those who will be directly responsible for the humanities programs should be fully involved in the planning from the outset. Grant recipients must raise, from nonfederal donors, three times the amount of federal funds offered. HBCUs, Tribal Colleges and Universities, and two-year colleges, however, are required to raise only two times the federal amount.

## Release of federal funds

All federal challenge grant funds are matching funds. As illustrated in the sample release schedule below, NEH typically offers the federal portion of a challenge grant in four annual installments, but the grantee may take up to sixty-eight months to raise funds for matching. NEH releases federal funds according to a pattern that permits donations in anticipation of a challenge grant from as early as five months prior to the application deadline. The grant schedule also allows donations that count toward the match in the grant's fifth year, after all the offered federal funds have been released. NEH releases federal funds in the first three annual installments only when matched in accord with the required three-to-one ratio. In the grant's fourth year, however, NEH can release the offered federal funds when matched only one-to-one, leaving the remaining two parts of the required three-to-one match to be raised in the fifth and final year. This pattern allows time at the end of the grant to finish the match and collect outstanding pledges.

The following chart illustrates a typical match and release schedule:

### Sample match and release schedule for a regular challenge grant

**EXAMPLE ONLY:** NEH Challenge offer of \$300,000, with a three-to-one matching ratio

	Year 1	Year 2	Year 3	Year 4	Year 5	Total
NEH funds (federal) offered	\$25,000	\$100,000	\$100,000	\$75,000	n/a	\$300,000
Nonfederal funds to be raised	\$75,000	\$300,000	\$300,000	\$75,000	\$150,000	\$900,000
Total grant funds (federal + nonfederal)	\$100,000	\$400,000	\$400,000	\$150,000	\$150,000	\$1,200,000

Variations on a typical match and release schedule are possible, and applicants should discuss with NEH staff the schedule that best reflects the institution's plans and fundraising capacity. NEH, however, makes the final determination of the match and release schedule.

With a matching ratio of two-to-one, HBCUs, Tribal Colleges and Universities, and two-year colleges follow a match and release schedule that differs somewhat from that of regular challenge grants. The federal portion of a challenge grant is still offered over four years, as with regular challenge grants, but HBCU, Tribal College and University, and two-year college grantees may take up to eighty (instead of sixty-eight) months to raise funds for matching. As with regular challenge grants, NEH allows donations from as early as five months prior to the application deadline; unlike the regular challenge grant schedule, however, the schedule for HBCUs, Tribal Colleges and Universities, and two-year colleges permits donations from as late as *two* years beyond the date when federal funds were last released. NEH releases funds in the first three years of the grant when completely matched according to the required two-to-one ratio. The fourth year's installment allows the release of federal funds when matched one-to-

one, with the remaining part of the two-to-one match to be raised in the final two years, so as to allow extra time to finish the match and collect outstanding pledges.

The following chart illustrates a typical match and release schedule for these three sorts of institutions:

<b>Sample match and release schedule for a challenge grant to an HBCU, Tribal College or University, or two-year college</b>							
<b>EXAMPLE ONLY:</b> NEH Challenge offer of \$300,000, with a two-to-one matching ratio							
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Total
NEH funds (federal) offered	\$25,000	\$100,000	\$100,000	\$75,000	n/a	n/a	\$300,000
Nonfederal funds to be raised	\$50,000	\$200,000	\$200,000	\$75,000	\$0	\$75,000	\$600,000
Total grant funds (federal + nonfederal)	\$75,000	\$300,000	\$300,000	\$150,000	\$0	\$75,000	\$900,000

The grant period for all challenge grants begins five months before the application deadline, and the grant period for most challenge grants ends sixty-eight months later. Thus the grant period for applications submitted at the May 2014 deadline begins December 1, 2013, and ends July 31, 2019. (Grants to HBCUs, Tribal Colleges and Universities, and two-year colleges would end July 31, 2020.)

Applicants who, unsuccessful at one deadline, revise and resubmit their applications at the next annual deadline may use the same starting date in the resubmission as in the original submission. Such applicants may thereby extend the fundraising period by twelve months. In this way applicants can keep faith with donors whose gifts were solicited in anticipation of a challenge grant. If the resubmitted application is not successful, however, the starting date of a third submission reverts to five months before the deadline for that application; in other words, the extended grant period is no longer available.

### **Eligibility of gifts**

To be eligible for matching, gifts may not derive from the grantee institution itself. It is inappropriate for an institution to shift internal budgets or reallocate internal funds for matching purposes. All matching pledges and gifts must be new—that is, given (and pledges fulfilled) during the challenge grant period. The majority of gifts eligible for matching must be *restricted*—that is, donations made explicitly in response to or in anticipation of the challenge grant. Donors of *restricted* gifts must be aware that their gifts will be used to fulfill the match of an NEH challenge grant and that their gifts will be used to support the purposes outlined in the approved challenge grant application. *Unrestricted* gifts—that is, gifts donated without limitations on their use—may be eligible for matching, but the donor must have made the gift

within the grant period, and the total of such unrestricted gifts may not exceed the federal portion of the challenge grant. Some types of gifts, such as real estate, earned income, planned giving, and in-kind gifts, are subject to special limitations. Discounts on contracted goods and services, as well as contributions from federal sources, are not eligible for matching.

**NOTE:** More detailed information on eligible gifts and the mechanics of challenge grant administration can be found in the booklet [Administration of NEH Challenge Grants](#), which may be obtained from NEH's website, the NEH Office of Grant Management, or the NEH Office of Challenge Grants. Program staff strongly encourages applicants to consult this booklet if they plan to solicit and collect eligible matching gifts in anticipation of receiving an NEH challenge grant.

### III. Eligibility

With the exception of elementary and secondary schools (public or private) and school districts, any U.S. nonprofit institution (public agency, private nonprofit organization, federally recognized Indian tribal government) working wholly or in part with the humanities may apply for a challenge grant. Affiliated institutions (for example, a university museum) should consult with NEH staff on questions of separate eligibility. Institutions that support research, education, preservation, and public programming in humanities disciplines are eligible to apply for an NEH challenge grant.

NEH generally does not award grants to other federal entities or to applicants whose projects are so closely intertwined with a federal entity that the project takes on characteristics of the federal entity's own authorized activities. This does not preclude applicants from using grant funds from, or sites and materials controlled by, other federal entities in their projects. Challenge grantees may not use funds from other federal entities to match NEH Challenge Grants.

Institutions may apply for only one NEH challenge grant in a calendar year. An institution is eligible to apply for a subsequent challenge grant beginning in the third year after the closing date of its most recent NEH challenge grant. For example, if a grant closed in 2012, the institution that received the grant may not apply for a subsequent challenge grant until 2015.

NEH will not review late, incomplete, or ineligible applications.

### IV. Application and Submission Information

#### **Application advice: draft proposals**

Prior to submitting a proposal, applicants are encouraged to contact program officers who can offer advice about preparing the proposal and review draft proposals. Staff comments on draft proposals are not part of the formal review process and have no bearing on the final outcome of the application, but previous applicants have found them helpful in strengthening their proposals. Although draft proposals are not required, potential applicants are strongly encouraged to take advantage of this preliminary review.



Prospective applicants who wish to submit a preliminary draft proposal should do so four to six weeks before the application deadline. (Although staff will make every effort to review all drafts submitted, time constraints may prevent thorough review of drafts submitted less than four weeks before the deadline.) The preliminary draft should include the full narrative section of the application and the proposed budget. Drafts should not be submitted through Grants.gov, but directly to NEH by e-mail attachment (the preferred method) to [challenge@neh.gov](mailto:challenge@neh.gov), fax (202-606-8579), or overnight mail. (If you wish to send a draft by overnight mail, call 202-606-8309 or e-mail [challenge@neh.gov](mailto:challenge@neh.gov) for instructions.)

## HOW TO PREPARE YOUR APPLICATION

You will prepare your application for submission via Grants.gov just as you would a paper application. Your application should consist of the following parts.

- 1. Table of contents**

List all parts of the application, with page numbers. Please use one set of page numbers for the entire document, including the appendices.

- 2. Abstract**

Summarize the proposal, including the activities to be supported and the plans for raising funds for matching. Applicants should describe the significance to the humanities of what they are proposing. This summary may be single-spaced but should not exceed one page.

- 3. Challenge grant budget**

Do **not** use the standard NEH budget form. Instead, provide a carefully itemized one- or two-page budget describing all challenge grant funds and indicate

- the portions of the total NEH federal funds being requested in years 1, 2, 3, and 4 of the grant period; and
- how all challenge grant funds—federal and nonfederal combined—will be expended.

For purposes of expenditure, there is no distinction between federal funds and nonfederal donations. Even if part of a larger campaign, the challenge grant budget should be limited to requested NEH funds plus the minimum required nonfederal funds. Planned annual expenditures from endowment or spend-down yield should be broken down by specific cost categories. Challenge grants may not include indirect cost recovery.

Direct funds may be used only for capital expenditures and for fundraising costs (up to 10 percent of total grant funds). Operating and program expenses may be paid for only with income from an endowment or an invested spend-down fund.

The budget should clearly indicate what the expenditures are for, and the proposal narrative should provide detailed information about these expenditures and should justify the amounts allotted to the various items in terms of the plans for the humanities.

In the following **sample** budgets, three modes of expenditure are included for purposes of illustration only; applicants should propose only the mode or modes of expenditure appropriate to their planned humanities activities.

**Sample challenge grant budget: all figures and categories of expenditure are for illustrative purposes only.**

Total NEH funds requested:		\$300,000
Year 1:	\$25,000	
Year 2:	\$100,000	
Year 3:	\$100,000	
Year 4:	\$75,000	

Total nonfederal contributions		\$900,000
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Total grant funds (NEH plus match)		\$1,200,000
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**Planned Expenditures:**

**Direct**

Renovation (include details of the planned renovation)		\$200,000
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**Endowed**

Principal		\$750,000
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Rate of return to be expended		5%
Projected annual expendable income		\$37,500
Uses of endowment income (list all)		\$37,500
Staff salaries	\$25,000	
Stipends for visiting scholars	\$9,500	
Lecture series expenses	\$3,000	

**Spend-down fund**

Principal		\$250,000
Rate of return to be expended		5%
Number of years		10
Annual expenditure (income + principal)		\$32,376
Uses of spend-down funds (list all)		
Training workshops in digital humanities	\$25,000	
Software and equipment	\$7,376	

**Sample challenge grant budget for applications submitted by an HBCU, Tribal College or University, or two-year college: all figures and categories of expenditure are for illustrative purposes only.**

Total NEH funds requested:		\$300,000
Year 1:	\$70,000	
Year 2:	\$80,000	
Year 3:	\$80,000	
Year 4:	\$70,000	
Total nonfederal contributions		\$600,000
Total grant funds (NEH plus match)		\$900,000

**Planned Expenditures:**

**Direct**

Renovation (include details of the planned renovation)		\$200,000
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**Endowed**

Principal		\$450,000
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Rate of expendable return		5%
Projected annual expendable income		\$22,500
Uses of endowment income (list all)		\$22,500
Staff salaries	\$15,000	
Stipends for visiting scholars	\$5,000	
Lecture series expenses	\$2,500	

**Spend-down fund**

Principal		\$250,000
Rate of expendable return		5%
Number of years		10
Annual expenditure (income + principal)		\$32,376
Uses of spend-down funds (list all)		
Training workshops in digital humanities	\$25,000	
Software and equipment	\$7,376	

**BUDGETARY NOTES**

**NEH policy on endowments:** Endowments created with NEH challenge grants are permanent and should be reported as permanent on [IRS Form 990, Schedule D](#), Part V (PDF). Endowments created with NEH challenge grants are restricted to the uses defined in the challenge grant budget as approved. Changes in the purpose of the

endowment may be made only in consultation with NEH. NEH is guided by Section 6 of the Uniform Prudent Management of Institutional Funds Act (UPMIFA) in assessing proposed changes in purpose. (For the text of Section 6 of UPMIFA, see [Administration of NEH Challenge Grants](#).)

### **Calculating a spend-down fund**

The amount needed for a spend-down fund depends upon the projected rate of return on investment, the length of the fund's existence, and the amount to be spent each year. Spend-down funds must last for at least ten years but not more than twenty-five years.

The amount needed can be calculated using a tool, such as the PV financial function in Microsoft Excel, that calculates the "present value" of funds needed to allow the desired expenditure over the specified number of future years. To calculate the expendable annual income over the life of the fund, use Excel's PMT financial function.

### **OMB Circular A-133 audits**

An endowment fund created with an NEH challenge grant may subject the grantee institution to the requirement of an annual Office of Management and Budget Circular A-133 audit. Whether an A-133 audit is required depends on the amount of federal funds expended in any year, and on the grantee's use of the federal money. The basic rule is that receipt or possession of \$500,000 or more in federal grant funds in any year may result in an A-133 audit requirement that year. If a challenge grant supports direct expenditures (such as for a construction project), an A-133 audit would be required only in the year(s) in which the grantee expends \$500,000 or more in federal funds. If, however, the challenge grant creates an endowment fund, the government counts the federal portion of the endowment as an expenditure of federal funds that triggers an A-133 audit requirement **each year**. That is, an endowment that includes \$500,000 or more in federal funds will trigger an A-133 audit requirement in every year of the endowment's existence.

## **SPECIAL REQUIREMENTS FOR CONSTRUCTION AND RENOVATION PROJECTS**

All NEH-funded projects involving construction or renovation must comply with federal laws on wage rates, disability rights, and historic preservation. Such projects may therefore require extra documentation as well as an extra review before NEH can release any federal funds. Applicants should familiarize themselves with the requirements described below; NEH cannot release any grant funds until these federal requirements are met.

### **I. Davis-Bacon Requirements**

Institutions using NEH challenge grant funds, federal or nonfederal, for construction and renovation projects must comply with the [Davis-Bacon Act](#). If the challenge grant includes support for any part of a construction or renovation project, the entire project is subject to Davis-Bacon requirements, and applicants must take into account the effect of the Davis-Bacon Act on costs. For purposes of compliance with the Davis-Bacon Act,

there is no distinction between federal funds and nonfederal donations raised for matching. Additional information is available [here](#). Applicants for construction projects should affirm in the proposal that they will meet the requirements of the Davis-Bacon Act.

## **II. Americans with Disabilities Act**

Article 26 (e) of NEH's General Terms and Conditions for Awards requires grant recipients and subrecipients to adhere to the [Americans with Disabilities Act of 1990](#) (ADA). Title III of the ADA covers places of public accommodation (such as museums, libraries, and educational institutions) and includes a specific section regarding new construction and alterations in public accommodations. The website [www.ada.gov](http://www.ada.gov) provides comprehensive information that grantees can consult concerning compliance with the ADA, including the text of the legislation, the revised regulations implementing Title II and Title III of the ADA, and the 2010 ADA Standards for Accessible Design.

## **III. National Historic Preservation Act**

All NEH-funded projects involving construction, renovation, repair, rehabilitation, or ground or visual disturbances must comply with the [National Historic Preservation Act](#) (NHPA). Applicants should familiarize themselves with Section 106 of the NHPA and its [implementing regulations](#) (PDF).

**Section 106 of the NHPA: Prior to the expenditure of any federal funds,** Section 106 requires NEH to review the effects of projects offered NEH funding on historic properties that are listed or eligible for listing in the National Register of Historic Places. When applicable, NEH must also provide the Advisory Council on Historic Preservation (ACHP) an opportunity to comment on such projects **prior to the expenditure of any federal funds.**

To understand and navigate the Section 106 review process, applicants should familiarize themselves with the Section 106 materials available [here](#). There is no formula for how long a given Section 106 review may take, so applicants should build sufficient time into their project plans to allow for a potentially lengthy review. NEH does not formally initiate a Section 106 review until it offers support for a project. However, applicants should know that **an applicant offered a challenge grant cannot begin any work involving construction, renovation, repair, rehabilitation, or ground or visual disturbances—and that NEH cannot release any federal funds—until NEH concludes its Section 106 review.**

To ensure that a Section 106 review of a project proceeds smoothly, take the following steps before submitting a Challenge Grant application to support construction, renovation, repair, rehabilitation, or ground or visual disturbances:

1. Contact your State Historic Preservation Officer (SHPO) and/or your Tribal Historic Preservation Officer (THPO) about your project. Once you have initiated contact, you should then provide the NEH Federal Preservation Officer

([FPO@neh.gov](mailto:FPO@neh.gov)) with the name and contact information of the person in the SHPO/THPO office who will be assisting NEH with its review.

2. Request a written determination from the SHPO/THPO, which indicates the following:
  - whether there are any properties near the project site that are listed or eligible for listing in the National Register;
  - if there are historic properties, how the NEH-funded project would affect them; and
  - if the effects would be adverse, how they might be avoided, minimized, or mitigated.

To facilitate this determination, applicants should provide the following to the SHPO/THPO (with copies to NEH):

- *A written description of the project.* The description should include the proposed use(s) for the property and the scope of the proposed construction, renovation, repair, rehabilitation, or ground or visual disturbance.
- *A map, photograph, or drawing clearly demarcating the project's Area of Potential Effects (APE).* The APE is the geographic area within which a project may directly or indirectly affect historic properties. To determine the APE, applicants should consider all locations in which project activities could cause ground, visual, or audible disturbances, or changes in public access, traffic patterns, or land use.
- *Descriptions of all properties in the APE that are listed in the National Register, and descriptions and evaluations of all other properties in the APE that might be eligible for listing (regardless of age), when the National Register criteria are taken into account. (See [36 C.F.R. Part 60](#) and [36 C.F.R. Part 63](#).)* Descriptions should be based on background research on historic properties, oral history interviews, field surveys and/or investigations, and past planning, research, and studies. They should include information such as a property's location, the year of its construction (if a structure), and previous ownership.
- *A description of the NEH-funded project's effects on historic properties.* A project affects a historic property if it has the potential to alter the characteristics that qualify the property for inclusion in or eligibility for the National Register.
- *An explanation of why the criteria for an adverse effect—listed in [36 C.F.R. § 800.5\(a\)\(1\)](#) (PDF)—were found applicable or inapplicable, including any conditions or future actions that might avoid, minimize, or mitigate adverse effects.* Adverse effects to historic properties include physical destruction, alteration, or removal of a property.

If the proposed project involves construction, renovation, repair, rehabilitation, or ground or visual disturbances of any kind, the applicant must provide NEH with copies of the documents that the applicant submitted to the SHPO/THPO. Many SHPOs and THPOs will not render a final determination until NEH offers the challenge grant, so the written determination is not required for the application. All that is required at the application stage is copies of the applicant's request (and all supporting materials) to the SHPO/THPO for a determination on the items listed in number 2 above. You may include these materials in the challenge grant application package; alternatively, you may send the documents separately to arrive by the application deadline (see "How to Submit Supplemental Materials" later in these guidelines).

NEH will declare ineligible any proposals for construction, renovation, repair, rehabilitation, or ground or visual disturbance projects that do not include the SHPO/THPO materials and will not enter them in the grant competition.

The SHPO/THPO may request additional documents that will assist him or her with the written determination, and applicants should be able and ready to provide the SHPO/THPO with any such information. Applicants must also provide NEH with all information provided to and received from the SHPO/THPO.

**NOTE:** A letter from the SHPO/THPO that only provides support for an applicant's project will not suffice as a written determination.

3. Submit an archaeological survey for the APE to NEH. If you do not include the survey with your application and later receive a challenge grant offer, NEH's Section 106 review of your project will be delayed until you have submitted the survey to NEH. Although an archaeological survey is not required at the application stage, NEH must receive the survey to complete its Section 106 review.
4. Submit a list containing the names of all consulting parties and their contact information, including titles, mailing addresses, and e-mail addresses. Consulting parties include federally recognized tribes, Native Hawaiian organizations, state and local governments, and individuals and organizations with a legal or economic relationship to a project or property (for example, historic societies or commissions).

**NOTE:** If a project is offered funding, NEH will contact the consulting parties and invite them to consult and comment on the project. NEH will also ask those receiving offers of Challenge Grants to post public notices about their projects through appropriate media (for example, newspapers, local post offices and libraries, the applicant's website, etc.). The comment period generally lasts thirty days, depending on the scope of a project.

NEH's Section 106 review usually results in one of the following findings and actions:

1. No historic properties or No effect on historic properties: If NEH finds that there are either no historic properties or that the project will have no effect on historic properties, it will notify the SHPO/THPO of that finding. If the SHPO/THPO does not object within thirty days after receiving the letter, NEH is generally permitted to release grant funds.

2. Project's effects indeterminable: If NEH cannot fully determine a project's effects on historic properties, NEH will continue consultations, draft a programmatic agreement (PA), and invite the ACHP to consult on the PA. If the SHPO/THPO and other parties accept the PA, NEH is generally permitted to release grant funds (after the PA is filed with the ACHP).
3. No adverse effects to historic properties: If NEH finds that the project will not adversely affect historic properties, it will notify the SHPO/THPO and consulting parties of NEH's findings. If the SHPO/THPO or any of the consulting parties do not object, NEH is generally permitted to release grant funds.
4. Adverse effects to historic properties: If NEH finds that a project will adversely affect historic properties, NEH will continue consultations, seek ways to mitigate or resolve adverse effects, and execute a memorandum of agreement (MOA). If the SHPO/THPO and other parties to the MOA agree to it, NEH is generally permitted to release grant funds (after the MOA is filed with the ACHP).

More information on the Section 106 review process, the required documentation, and the responsibilities of an applicant prior to and during the Section 106 review is available [here](#). You can find answers to frequently asked questions about Section 106 [here](#). You can also contact the NEH FPO by e-mail at [FPO@neh.gov](mailto:FPO@neh.gov), by phone at 202-606-8309, or by mail at Federal Preservation Officer, Office of Challenge Grants, National Endowment for the Humanities, Washington, D.C. 20506.

If you are applying for a construction or renovation project, your narrative should indicate your awareness of and your plans to meet the special requirements for these projects.

#### 4. **Institutional fact summary**

For applications involving multiple institutional partners, only the applicant of record must provide an institutional fact summary. Partner institutions, however, are welcome to submit fact summaries to document their institutional character and humanities capacities.

Provide the following in an outline limited to one page:

- Relevant facts and statistics about the institution or organization, such as its
  - history;
  - mission;
  - governance and administration;
  - physical facilities;
  - humanities staff size and composition (including the percentage of all staff who are in the humanities);
  - humanities collections (including the percentage of all collections that are in the humanities); and
  - accreditation or affiliation (if applicable).



- Data on recent humanities activities, such as the
  - types and numbers of enrollments, programs, exhibitions, courses, and degrees awarded in the past two years;
  - percentage of total offerings that are in the humanities;
  - size and nature of audience or population served;
  - cost to participants (if any);
  - number of publications produced (if applicable); and
  - evidence for the success of these humanities activities.

## 5. Financial summary

Include a one or two-page summary of the applicant institution's finances. For a suggested format, please refer to the Challenge Grants Sample Financial Summary Form, to which you can find a link on the [program resource page](#). Where the application concerns a sub-unit of a larger whole (for example, a library on a university campus), include summaries for both the larger and smaller units. The purpose of the summary is to give a clear picture of the financial status of the institution during the most recent three-year period. Information should be provided about annual operating budgets, exclusive of capital campaigns or other special income and exclusive of current or recent capital project expenditures. Figures should be compatible with figures cited elsewhere in the proposal. *Applicants should explain significant operating surpluses or deficits in accompanying notes.*

## 6. Narrative

Narrative descriptions are limited to **twenty-five double-spaced pages**. The font size should be no smaller than eleven-point. All pages should have at least one-inch margins, be collated, and numbered consecutively throughout. Statistical and other supporting materials may be relegated to appendices. The narrative should provide a clear, logical, and concise description of the activities that the challenge grant will support.

In the narrative, the applicant should do the following:

- Describe the **significance and intellectual quality** of the humanities activities, programs, and holdings that the challenge grant would support. Explain why these activities are important, and to whom. Describe or provide evidence of the quality of the humanities activities to be supported, such as letters from outside experts in the field or reviews of the activities.
- Describe the institution's **long-range plans** for advancing and/or disseminating humanistic knowledge. Explain how the institution, through its mission, personnel, governance, facilities, and resources, is capable of sustaining outstanding humanities activities. Identify any collaborators or partners and provide evidence, such as letters indicating institutional commitment to the long-range plans and the challenge grant.

- Discuss the **impact** of the challenge grant. Explain how grant funds will strengthen and improve knowledge and understanding of the humanities. Explain how the NEH challenge grant will sustain and enhance significant humanities activities over the long term. Delineate clearly and in detail the planned challenge grant expenditures (federal and nonfederal combined). Provide a plan for assessing, in both qualitative and quantitative terms as appropriate, the impact of the grant.
- Describe the **plans for raising funds** to meet the NEH matching requirement. Offer evidence of long-term financial stability at the institution. Explain how the institution's resources, leadership, staff, and experience will enable it to conduct a successful campaign. Give details of the fundraising strategy; explain its feasibility and how it will broaden the base of institutional support.

Applicants should also briefly describe any recent NEH or state humanities council grants received by the institution, as well as any pending NEH applications related to the activities that the challenge grant would support. If the applicant holds or is currently applying for any NEH grants that include a matching component, these must be described (including the amount of the match) in the section of the narrative that discusses the feasibility of fundraising.

**NOTE:** Applicants who have held prior NEH challenge grants must describe and assess the impact of their prior award(s), especially in cases where the new grant would support humanities activities similar to those supported by the prior grant(s).

#### 7. **Lists of trustees and staff**

Provide a list of the institution's board of governors or trustees with their professional affiliations and a list of staff and faculty members principally involved with the challenge grant, indicating their professional qualifications.

#### 8. **Résumés**

The project director is the person primarily responsible for implementing the humanities activities described in the narrative proposal. Attach a two-page version of this person's résumé as an appendix to the application. Résumés or job descriptions for any position being supported by the challenge grant should also be attached.

#### 9. **Letters of support**

Include in an appendix letters of commitment or support from appropriate institutional officials, confirming the institution's commitment to the humanities activities and to meeting the NEH challenge. Other letters of support, such as from partners, scholars in the field, staff involved in carrying out the humanities activities, and participants in or beneficiaries of the humanities activities, should be included as appropriate. No number of letters is required or prohibited, but ten letters usually suffice to attest to the institution's commitment and to the quality of the proposed humanities activities. A variety of letters is recommended, from inside and outside the applicant institution.

Letters from the applicant's Congressional representatives or Senators are not needed for a challenge grant application.

#### 10. Optional appendices

Copies of printed brochures, flyers, or other descriptive materials may be included and referred to in the text of the narrative. For projects involving Section 106, please also include copies of the materials submitted to the SHPO/THPO and any response.

Single copies of bulky ancillary materials, such as catalogs, journals, or books, may also be submitted but are not required or encouraged. See “How to Submit Supplementary Materials,” below.

### How to Submit your Application

The application must be submitted to Grants.gov. Links to the Grants.gov application package and instructions for preparing and submitting the package can be found on the [program resource page](#).

### How to Submit Supplementary Materials

If you are sending supplementary materials, such as copies of materials submitted to the SHPO/THPO, please include in your Grants.gov submission a list of the materials to be sent separately. Clearly identify the applicant on each separate supplemental item as well as on the envelope, box, or other mailer. The supplemental materials must arrive at NEH by the deadline, May 1, 2014.

If you wish to submit supplementary materials, call 202-606-8309 or e-mail [challenge@neh.gov](mailto:challenge@neh.gov) for instructions.

### Deadlines

**Draft proposals (optional):** The staff recommends that draft proposals be submitted four to six weeks before the application deadline, if not earlier. Staff may not be able to review drafts submitted closer to the deadline. Draft proposals may be submitted by e-mail attachment ([challenge@neh.gov](mailto:challenge@neh.gov)), fax (202-606-8579), or overnight mail. (If you wish to send a draft by overnight mail, call 202-606-8309 or e-mail [challenge@neh.gov](mailto:challenge@neh.gov) for instructions.)

**Applications must be received by Grants.gov on or before May 1, 2014.** Grants.gov will date- and time-stamp your application after it is fully uploaded. Applications submitted after that date will not be accepted. **Supplementary materials must also arrive at NEH by the deadline—that is, May 1, 2014—to be considered as part of the application.**

### Challenge grants timetable

<i>December 1, 2013</i>	Date prior to the May 2014 deadline from which advance fundraising may count toward the matching requirement.
<i>Four to six weeks before the application deadline</i>	Target date for submission of draft proposals for comment by NEH staff.
<i>May 1, 2014</i>	<b>Receipt deadline</b> for applications.
<i>December 2014</i>	Notification of awards.
<i>July 31</i>	Annual date after notification by which the grantee must submit certification of the gifts required to claim the year's installment of federal funds.

## V. Application Review

Applications are evaluated according to the four criteria listed below.

**1. The significance of humanities activities**

What is the evidence that the current and planned activities—particularly those that will be affected by the challenge grant—are significant and that their intellectual quality is high? Why are these activities important, and to whom?

**2. The appropriateness of resources and plans**

What evidence is there of realistic long-range institutional planning to advance and/or disseminate humanistic knowledge? Is the institution, through its mission, personnel, governance, facilities, and resources, capable of sustaining outstanding activities in the humanities? What evidence (such as letters of support) is there of sufficient institutional and community commitment to the long-range plans?

**3. The impact of challenge grant funds**

What impact will grant funds have on strengthening and improving the understanding of the humanities? How will the NEH challenge grant sustain and enhance significant humanities activities over the long term? Is the mode of expenditure (endowment, direct, spend-down) appropriate to the humanities-related costs and to the nature of the

activities to be supported? Are the planned challenge grant expenditures (federal and nonfederal combined) described clearly and in detail? How will the institution assess the impact of the challenge grant?

**4. The feasibility of fundraising**

Does the institution provide evidence or promise of long-term financial stability? Do the applicant's resources, leadership, staff, and experience suggest that it will be able to conduct a successful campaign to meet the NEH matching requirement? What evidence does the applicant offer that the fundraising plan is feasible? Will the fundraising strategy broaden the base of institutional support?

**Review and selection process**

Knowledgeable persons outside NEH will read each application and advise the agency about its merits. NEH staff comments on matters of fact or on significant issues that otherwise would be missing from these reviews, then makes recommendations to the National Council on the Humanities. The National Council meets at various times during the year to advise the NEH chairman on grants. The chairman takes into account the advice provided by the review process and, by law, makes all funding decisions. More details about NEH's review process are available [here](#).

## **VI. Award Administration Information**

**System for Award Management Entity records**

The Federal Funding Accountability and Transparency Act (FFATA) requires federal agencies to make information about the expenditure of tax funds available to the public. To facilitate this, an applicant organization must maintain current information in its Entity record in the System for Award Management (SAM), which now administers the former Central Contractor Registry (CCR). You must therefore review and update the information in your Entity record at least annually after the initial registration, and more frequently if required by changes in your information or another award term. In order for you to apply for an award via Grants.gov, receive an award, or receive payment on an award, the information in your Entity record must be current. You can update your organization's Entity record [here](#). You may need a new SAM User Account to register or update your Entity record.

**Award notices**

In early December, approximately seven months after the application deadline, NEH will notify applicants by e-mail whether they will be offered a challenge grant. Applicants may obtain the evaluations of their applications by sending a letter to the Office of Challenge Grants, National Endowment for the Humanities, Washington, D.C. 20506, or an e-mail message to [challenge@neh.gov](mailto:challenge@neh.gov).

**Administrative requirements**

More detailed information on eligible gifts and the mechanics of challenge grant administration can be found in the booklet [Administration of NEH Challenge Grants](#), which may be obtained

from the NEH website or the Office of Challenge Grants. Applicants should obtain this document if they plan to solicit and collect eligible matching gifts in anticipation of receiving an NEH challenge grant. For a brief overview of important issues involved in administering an NEH challenge grant, see [Challenge Grants Do's and Don'ts](#).

Before submitting an application, applicants should review their [responsibilities as an award recipient](#) and the [lobbying certification requirement](#).

### **Award conditions**

The requirements for awards are contained in the [Administration of NEH Challenge Grants](#), the [General Terms and Conditions for Awards](#) and its [Addendum](#) (see exclusions in Appendix 4 of the Administration of NEH Challenge Grants), the audit requirements of [Office of Management and Budget Circular A-133](#) (PDF), the [Program-Specific Audit Guide for Recipients of an NEH Challenge Grant](#), and in any specific terms and conditions contained in the offer letter.

### **Reporting requirements**

A schedule of report due dates will be included with the award document.

Interim and final financial and performance reports will be required. Further details can be found in the [Administration of NEH Challenge Grants](#). Reports must be submitted electronically via [eGMS](#), NEH's online grant management system.

A final [Federal Financial Report](#) (SF-425, PDF) will be due within ninety days after the end of the award period. For further details, please see the [Financial Reporting Requirements](#).

## **VII. Points of Contact**

If you have questions about the program, contact:

Office of Challenge Grants  
National Endowment for the Humanities  
Washington, DC 20506  
202-606-8309  
[challenge@neh.gov](mailto:challenge@neh.gov)

If you need help using Grants.gov, refer to

Grants.gov: [www.grants.gov](http://www.grants.gov)  
Grants.gov help desk: [support@grants.gov](mailto:support@grants.gov)  
Grants.gov customer support tutorials and manuals:  
<http://www.grants.gov/web/grants/applicants/applicant-resources.html>  
Grants.gov support line: 1-800-518-GRANTS (4726)  
Grants.gov [troubleshooting tips](#)

## VIII. Other Information

### Privacy policy

Information in these guidelines is solicited under the authority of the National Foundation on the Arts and Humanities Act of 1965, as amended, 20 U.S.C. 956. The principal purpose for which the information will be used is to process the grant application. The information may also be used for statistical research, analysis of trends, and Congressional oversight. Failure to provide the information may result in the delay or rejection of the application.

### Application completion time

The Office of Management and Budget requires federal agencies to supply information on the time needed to complete forms and also to invite comments on the paperwork burden. NEH estimates that the average time to complete this application is fifteen hours per response. This estimate includes time for reviewing instructions, researching, gathering, and maintaining the information needed, and completing and reviewing the application.

Please send any comments regarding the estimated completion time or any other aspect of this application, including suggestions for reducing the completion time, to the Chief Guidelines Officer, at [guidelines@neh.gov](mailto:guidelines@neh.gov); the Office of Publications, National Endowment for the Humanities, Washington, D.C. 20506; and the Office of Management and Budget, Paperwork Reduction Project (3136-0134), Washington, D.C. 20503. According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB number.

## APPLICATION CHECKLIST

- ☐ **Verify and if necessary update your institution's Entity record, or create an Entity record for your institution, at the System for Award Management (SAM).** Complete at least four weeks before the deadline.
- ☐ **Verify your institution's registration or register your institution with Grants.gov.** Complete at least two weeks before deadline.
- ☐ **Download the application package from Grants.gov.** The [program resource page](#) on NEH's website has a direct link to the package. Alternatively, you can search Grants.gov for this program. The program resource page also has a direct link to the instructions for completing the package.
- ☐ **Complete the following forms contained in the Grants.gov application package.**
  1. Application for Federal Domestic Assistance - Short Organizational
  2. Supplementary Cover Sheet for NEH Grant Programs

3. Project/Performance Site Location(s) Form
4. Attachments Form—Using this form, attach the parts of your application as described in the guidelines:

ATTACHMENT 1: Table of contents (name the file “contents.pdf”)

ATTACHMENT 2: Abstract (name the file “abstract.pdf”)

ATTACHMENT 3: Budget (name the file “budget.pdf”)

ATTACHMENT 4: One-page institutional fact summary (name the file “institutionalsummary.pdf”)

ATTACHMENT 5: Financial summary (name the file “financialsummary.pdf”)

ATTACHMENT 6: Narrative (name the file “narrative.pdf”)

ATTACHMENT 7: Lists of trustees and staff (name the file “trusteesstaff.pdf”)

ATTACHMENT 8: Project director’s résumé, and the job descriptions or résumés for any positions being supported (name the file “resume.pdf”)

ATTACHMENT 9: Letters of commitment and support (name the file “letters.pdf”)

ATTACHMENT 10: Optional appendices (name the file “appendices.pdf”)

Your attachments must be in Portable Document Format (.pdf). We cannot accept attachments in their original word processing or spreadsheet formats. If you don’t already have software to convert your files into PDFs, many low-cost and free software packages will do so. You can learn more about converting documents into PDFs [here](#).

**Upload your application to Grants.gov.** NEH **strongly** suggests that you submit your application no later than 5:00 p.m. Eastern Time on the day of the deadline. Doing so will leave you time to contact the Grants.gov help desk for support, should you encounter a technical problem of some kind. The Grants.gov help desk is now available seven days a week, twenty-four hours a day (except on [federal holidays](#)), at 1-800-518-4726. You can also send an e-mail message to [support@grants.gov](mailto:support@grants.gov).